

# SOYBEAN PRODUCTION

## COSTS AND RETURNS 1998 - 1999

ITEM	UNITED STATES		HEARTLAND		EASTERN UPLANDS	
	1998	1999	1998	1999	1998	1999
Gross value of production	Dollars Per Planted Acre					
Primary product: Soybeans	223.17	178.00	237.36	186.06	175.36	100.98
Total, gross value of production	\$223.17	\$178.00	\$237.36	\$186.06	\$175.36	\$100.98
Operating costs:						
Seed	20.46	19.25	19.77	18.41	21.32	22.85
Fertilizer	8.00	7.96	7.23	7.25	19.88	20.18
Soil conditioners	0.10	0.10	0.08	0.08	0.45	0.47
Manure	0.80	0.79	0.91	0.88	0.15	0.15
Chemicals	26.65	24.88	27.31	25.56	25.64	23.86
Custom operations	5.84	5.86	5.93	5.90	3.63	3.58
Fuel, lube, and electricity	5.97	5.90	5.35	5.32	4.25	4.02
Repairs	9.59	9.79	8.91	9.11	7.88	7.59
Purchased irrigation water	0.05	0.05	0.00	0.00	0.00	0.00
Interest on operating capital	1.86	1.75	1.81	1.71	1.99	1.95
Total, operating costs	\$79.32	\$76.33	\$77.30	\$74.22	\$85.19	\$84.65
Allocated overhead:						
Hired labor	1.98	2.01	1.29	1.32	2.08	2.20
Opportunity cost of unpaid labor	18.11	18.46	17.73	17.97	30.91	30.93
Capital recovery of machinery and equipment	50.66	51.58	47.99	49.01	47.90	46.03
Opportunity cost of land (rental rate)	77.66	79.74	87.96	88.38	29.71	41.84
Taxes and insurance	6.89	6.77	6.97	6.82	5.75	5.67
General farm overhead	12.94	14.13	13.40	14.55	10.00	10.88
Total, allocated overhead	\$168.24	\$172.69	\$175.34	\$178.05	\$126.35	\$137.55
Total, costs listed	\$247.56	\$249.02	\$252.64	\$252.27	\$211.54	\$222.20
Value of production less total costs listed	-24.39	-71.02	-15.28	-66.21	-36.18	-121.22
Value of production less operating costs	143.85	101.67	160.06	111.84	90.17	16.33
Supporting information:						
Yield (bushels per planted acre)	43	40	46	42	32	22
Price (dollars per bushel at harvest)	5.19	4.45	5.16	4.43	5.48	4.59
Enterprise size (planted acres) <u>1</u> /	220	220	225	225	130	130
Production practices: <u>1</u> /						
Irrigated (percent)	5	5	2	2	0	0
Dryland (percent)	95	95	98	98	100	100

The Economic Research Service revised its accounting methodology for corn, soybeans, cotton, grain sorghum, peanuts, hogs and cow-calf enterprises to conform with the new stands recommended by the American Agricultural Economics Association (AAEA) Task Force on Commodity Costs and Returns. For these same commodities, ERS is publishing regional estimates using new resource regions. Western Kentucky is considered Heartland while eastern Kentucky is included in Eastern Uplands.

1/Developed from survey base year, 1997.